Research News for the U.S. Travel Industry

TRAVEL PRINTOUT

US Travel Data Center

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Small Businesses Vital to Travel Industry's Growth

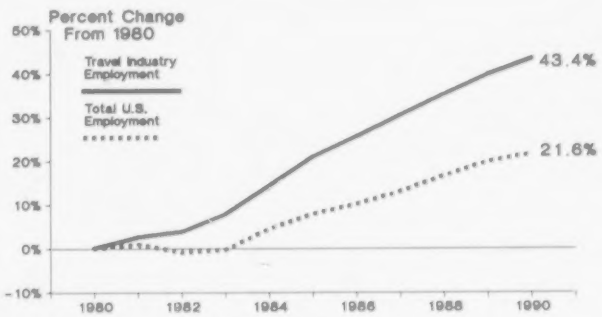
Travel industry employment has grown twice as fast as total U.S. employment, much of this growth can be attributed to the small business segment of the travel industry, according to the Data Center's *1990-91 Economic Review of Travel in America.*

Small businesses account for 99.8 percent of the nearly one-half million firms in the travel industry.

This major strength in the travel industry enabled the industry to remain the third largest U.S. retail industry in 1990. U.S. and foreign travelers spent $328 billion in the U.S. during 1990, up 6.5 percent from 1989. This equaled 6 percent of the gross national product (GNP), according to the report.

The industry also remained the second largest employer in 1990, directly supporting 5.9 million jobs. The employment generated by travel in the U.S. exceeds the populations of 80 countries.

TRAVEL INDUSTRY EMPLOYMENT HAS GROWN TWICE AS FAST AS TOTAL U.S. INDUSTRY EMPLOYMENT



Source: U.S. Travel Data Center

Small businesses are one of the major reasons for the travel industry's ability to endure economic downturns. "Small businesses are a stabilizing influence, slowing the rate of economic decline during business downturns and helping to stabilize declining regional economies," said Dr. Douglas Frechtling, economic consultant and author of the report. "But, when the economy begins to expand, small businesses are quick to hire and outpace large firms in producing new jobs over the long term."

Thirty-nine percent of all self-employed workers are in service enterprises, according to the Bureau of Labor Statistics. The most common type of self-employment is in non-hotel lodging; bed & breakfast inns, boarding houses, trailer parks and camps, and similar establishments.

In fact, recent surveys indicate the popularity of bed & breakfasts have been increasing in recent years. Overall occupancy at bed & breakfasts have increased 7 percent since 1986, according to *The 1990 Bed & Breakfast/Country Inn Industry Study.*

Small businesses provide ample opportunity for individuals to establish their own enterprises and offer distinctive services for the traveling public. Moreover, the small business environment tends to be strongly competitive, encouraging good service and fair pricing.

Other information in the *1990-91 Economic Review of Travel in America* includes:

- The 5.9 million jobs supported by the travel industry paid nearly $84 billion in wages and salaries, producing more than $43 billion in federal, state and local tax revenue.
- Including the "multiplier" effect, travel and tourism in America generated $226 billion in wages and salaries for 12.3 million jobs.
- Foreign visitors to the U.S. totaled 39 million in 1990, up 7 percent from the previous year. The expenditures from foreign visitors were more than $40 billion and generated 870 thousand jobs.
- U.S. travelers to foreign countries numbered nearly 44 million, up 4 percent and their spending increased 12 percent to $39 billion.

The 1990-91 Economic Review of Travel in America contains charts, tables, maps and narrative on consumer and industry trends, regional travel patterns, travel price inflation, travel and employment and international travel. The report is available for $60. For additional information or to order the report, contact the Data Center at (202) 293-1040. *(Data Center members will be receiving a complimentary copy.)*

Cost of Travel in U.S. Decreases in November

After increasing slightly in October, the cost of travel in the United States decreased 1.6 percent in November from the previous month, but increased 1.1 percent over the past 12 months, according to the Data Center's latest Travel Price Index (TPI).

The TPI, which measures seasonally unadjusted changes in the cost of travel in the U.S. decreased to 142.8 (1982 - 84 = 100) during November.

For comparison, the overall cost of goods and services Americans purchase, as measured by the Consumer Price Index (CPI), increased 0.3 percent in November and rose to 137.8.

Travel Price Index and Components

November 1991 TPI Component	Monthly % Change October 1991 to November 1991	Annual % Change November 1990 to November 1991
Transportation	2.6	-10.6
Airline Fares	4.1	-5.2
Other Intercity Trans.	-0.2	2.9
Intracity Public Trans.	0.1	4.2
Motor Fuel	1.1	-16.5
Lodging	-5.4	8.2
Food and Beverages Away From Home	-1.1	2.4
Entertainment	0.5	6.0
TRAVEL PRICE INDEX	-1.6	1.1
CONSUMER PRICE INDEX	0.3	3.0

Source: U.S. Travel Data Center and the U.S. Bureau of Labor Statistics

Lodging prices continued to decline, decreasing 5.4 percent in November. It was the third consecutive month that lodging prices decreased.

The transportation component of the TPI increased more than 2 percent in November, but over the last 12 months transportation prices dropped more than 10 percent.

Airline fares increased more than 4 percent in November and decreased more than 5 percent over the last 12 months. After decreasing for the first time in 3 months in October, motor fuel costs increased slightly in November. In the last 12 months, motor fuel costs plummeted more than 16 percent.

Entertainment costs showed a slight increase in November. In the past 12 months, entertainment costs increased 6 percent.

The cost of other intercity transportation and food and beverages away from home showed slight decreases in November.

The TPI indicates price changes in travel goods and services available to consumers in the U.S. and does not necessarily represent changes in the average fares, rates and other costs that travelers actually paid.

Travelers Prefer Hiking on Vacation Trips

Hiking was the most popular activity for travelers who took a vacation trip in the last 12 months, according to the U.S. Travel Data Center's National Travel Survey (NTS).

More than 20 percent of all travelers who took a vacation in the last 12 months said they participated in some type of hiking or backpacking on their most recent vacation trip. Camping and bicycling were the second and third most popular activity, cited by 18 percent and 16 percent, respectively of all vacationers.

Travelers were asked if they participated in 15 different activities during their most recent vacation trip. Some of the other popular activities included; horseback riding, mountain climbing, trail riding, scuba diving, snorkeling and sailing. Hang gliding, kayaking and wind surfing were some of the less popular activities.

The Data Center sponsors and conducts the NTS, a monthly telephone survey of national probability samples of 1,500 U.S. adults, which measures traveler volume and behavior.

The NTS has the capability of focusing solely on the U.S. adult traveler market, which gives the Data Center the flexibility to ask a variety of questions that might be of interest to the travel industry.

For additional information, contact Elizabeth Stewart, manager of market research at (202) 293-1040.

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TRAVEL PRINTOUT reports on Data Center projects, national travel research conducted by other organizations and trends in the U.S. Travel Industry. Subscriptions are $75 per year; Foreign countries, $80 per year, payable in U.S. funds. ISSN: 0744-6233.

Board of Trustees Re-Elect Foster as Chairman

During its December 6 meeting in Washington, the U.S. Travel Data Center's Board of Trustees re-elected Jerry Foster, world-wide president of Travellers International in St. Louis, to serve a second term as chairman.

The other officers also received a vote of confidence as they will continue their positions in 1992: vice chairman, Edward R. Book, president of the Travel Industry Association of America; secretary, Dr. Charles R. Goeldner, professor of marketing at the University of Colorado; treasurer, C. Reath Edwards, director of corporate marketing at the Hershey Entertainment & Resort Company; executive committee member, Barbara Wickliffe, marketing research director at Best Western International.

Jorge Herrera, vice president sales & marketing of the Tourism Division at the Dallas Convention & Visitors Bureau and Barbara L. Klien, executive director at the Lake Tahoe Visitors Authority, are new trustees.

Also re-elected to serve another term as trustees were: Robert Gall, vice president, sales and advertising, Amtrak; Kenneth Hine, executive vice president at the American Hotel & Motel Association; Dr. John Hunt, department head at the University of Idaho; Robert Liming, director of international marketing, South Carolina Department of Parks, Recreation & Tourism; Peter Mason, travel category manager, Better Homes & Gardens; Patrick McMahon, director, Virginia Division of Tourism; Rossi Ralenkotter, director of marketing, Las Vegas Convention & Visitors Authority; Sally Susman, director of policy and industry affairs, American Express Travel Related Services; David Swierenga, assistant vice president of airline industry data, Air Transport Association; and Catherine Wheeler, director, Delaware Office of Tourism.

John Keller, under secretary for travel and tourism, U.S. Department of Commerce; and Dr. Barbara Everitt Bryant, director, Bureau of the Census, were re-elected as Ex Officio Advisors.

Visitor Volume at National Parks

Region	Oct. 1991 Visits	% Change Oct. 1990	Year to Date % Change 1991/90*
NEW ENGLAND	1,659,425	2.3%	1.0%
MIDDLE ATLANTIC	2,413,048	-2.8	6.6
SOUTH ATLANTIC	7,256,380	3.9	-0.6
EAST SOUTH CENT.	[illegible]	[illegible]	[illegible]
EAST NORTH CENT.	487,486	10.5	9.7
WEST NORTH CENT.	555,943	6.1	8.1
WEST SOUTH CENT.	790,375	8.1	-1.4
MOUNTAIN	3,457,155	20.6	4.0
PACIFIC	4,083,490	11.4	3.8
TOTAL	22,653,799	7.7	2.9

* Percent change figures may not be consistent with those previously reported due to National Park Service revisions.

Census regions: **New England**: Conn., Maine, Mass., N.H., R.I., Vermont. **Middle Atlantic**: N.J., N.Y., Penn. **S. Atlantic**: Del., District of Columbia, Fla., Ga., Md., N.C., S.C., Va., W.Va. **East South Central**: Ala., Ky., Miss., Tenn. **East North Central**: Ill., Ind., Mich., Ohio, Wis. West North Central: Iowa, Kan., Minn., Mo., Neb., N.D., S.D. **West South Central**: Ark., La., Okla., Texas. **Mountain**: Ariz., Colo., Idaho, Mont., Nev., N.M., Utah, Wyo. **Pacific**: Alaska, Calif., Hawaii, Ore., Wash.

War, Recession, Taxes Highlight TRC '92

Travel executives from all major sectors of the industry will discuss the impact events of 1991 had on the travel industry at the 6th annual Travel Review Conference, to be held on February 5, 1992 at the Holiday Inn Crowne Plaza in Arlington, Virginia.

The conference is sponsored by the U.S. Travel Data Center, Travel and Tourism Research Association (TTRA), the Washington Metropolitan Chapter of TTRA and the United States Travel and Tourism Administration (USTTA).

This year's conference will provide in-depth analysis of the effect of the Gulf War, recession and increasing taxes on the traveler as well as discussions of travel trends and preferences in specialized market segments including the mature and ethnic travel markets.

In addition, Suzanne Cook, executive director at the Data Center, will review domestic travel in 1991 and Harvey Shields, director, office of research at USTTA, will provide a recap on international tourism. Other industry reviews will include business and incentive travel, transportation and accommodations.

The international and domestic travel sessions will be expanded this year and will include timely case studies, regional perspectives and travel industry responses to changing trends.

The Registration cost is $210, and since the conference is limited to 400 attendees early registration is strongly advised.

Please make checks payable to TRC '92 and mail to: TLC, Inc. - West, 8 Second Avenue SW, Ronan, MT 59864. For additional information, call the conference hotline at (406) 676-8593.

Current Travel Indicators - 1990/91

	Month	Value	Units	Percent Change Last Month	Year Ago	Year To Date
Establishment Receipts or Retail Sales						
Hotels, Motels, Other Lodging Places(1)	Sept	$5,278	million	-8.4	2.4	1.1
	Oct	$5,774	million	9.4	3.1	1.1
	Nov	$4,847	million	-16.1	3.4	1.2
Eating and Drinking Places(2)	Nov	$15,764	million	0.5	3.1	3.5
Gasoline Service Stations(2)	Nov	$10,562	million	1.1	-13.9	-1.3
Commercial Lodging Demand						
Hotel/Motel Occupancy Rates(3)	Sept	61.8	percent	-1.1	-3.0	-2.2
	Oct	62.2	percent	0.6	-1.6	-1.9
	Nov	62.1	percent	0.0	-0.5	-1.7
Real Demand for Commercial Lodging(4)	Sept	64.8	million	-9.9	2.1	0.4
	Oct	69.3	million	7.0	2.7	0.6
	Nov	59.4	million	-14.3	3.3	0.8
Airline Passenger Traffic (5)						
Domestic Revenue Passenger-Miles	Nov	24.8	billion	-9.3	-5.9	-3.1
Int'l Revenue Passenger-Miles	Nov	8.9	billion	-13.4	11.2	-1.9
Highway Traffic Volume (6)						
Rural Arterial Passenger-Miles	Oct	46.4	billion	2.1	3.2	0.9
Rail Passenger Traffic (7)						
Amtrak Passenger-Miles	Oct	484.1	million	3.9	-0.5	2.9
	Nov	449.6	million	-7.1	-8.6	1.9
Travel Price Index (1982 - 84 = 100) (8)	Nov	142.8		-1.6	1.1	6.9
Visitor Volume at National Park Service Areas (11)						
Recreation Visits	Oct	22,653,799		-13.3	7.7	2.9
	Nov	13,993,812		-38.2	-2.7	2.4
Overnight Stays	Oct	1,182,410		-40.4	2.7	4.0
	Nov	612,041		-48.2	-9.7	3.5
Foreign Arrivals to the U.S.						
From Overseas(12)	July	1,857,858		28.0	16.4	4.9
	Aug	1,827,830		-1.6	11.5	6.0
From Canada(13)	Oct	1,435,010		-8.1	6.8	9.8
From Mexico(12)	July	197,959		64.7	22.8	7.9
	Aug	174,940		-11.6	11.6	8.6
U.S. Citizen Departures						
To Overseas(12)	Jan	N/A				
To Canada(13)	Oct	823,211		-29.7	-1.0	-1.5
Domestic Demand for Gasoline						
Barrels/Day(14)	Oct	7.273	thousands	2.6	0.6	-0.7
	Nov	7.028	thousands	-3.4	-2.9	-0.9

(1) Source: Smith Travel Research, seasonally adjusted. (2) Preliminary; revised monthly. Source: Bureau of the Census. (3) Source: Smith Travel Research, seasonally adjusted, 1988 and 1987 data have been revised. (4) Smith Travel Research, unadjusted room nights sold. (5) Preliminary. U.S. scheduled service air carriers. Source: Air Transport Association. (6) Preliminary revised monthly. Source: Federal Highway Administration. (7) Source: National Railroad Passenger Corporation (Amtrak). (8) Source: U.S. Travel Data Center and Bureau of Labor Statistics. (9) Source: U.S. Travel Data Center. (10) U.S. Travel Data Center. Data is not comparable to earlier published numbers due to revised methodology. (11) Preliminary; unadjusted for differences in reporting units. Source: National Park Service. (12) Source: U.S. Travel and Tourism Administration. Mexican data reflect 194 arrivals only. (13) Statistics Canada. (14) Preliminary; Source: U.S. Department of Energy

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